



Council of the
European Union

Brussels, 16 July 2014
(OR. en)

11195/14
ADD 1

PV/CONS 35
SOC 533
SAN 246
CONSOM 135

DRAFT MINUTES

Subject: **3323rd** meeting of the COUNCIL OF THE EUROPEAN UNION
(**EMPLOYMENT, SOCIAL POLICY, HEALTH AND CONSUMER**
AFFAIRS) held in Luxembourg on 19 and 20 June 2014

PUBLIC DELIBERATION ITEMS¹

Page

"B" ITEMS (doc. 10831/14 OJ CONS 35 SOC 506 SAN 228 CONSOM 129)

LEGISLATIVE DELIBERATIONS

2. Proposal for a Decision of the European Parliament and of the Council on establishing a European Platform to enhance cooperation in the prevention and deterrence of undeclared work [First reading] 3
3. Proposal for a Regulation of the European Parliament and of the Council on a European Network of Employment Services, workers' access to mobility services and the further integration of labour markets (EURES) [First reading] 3
4. Proposal for a Council Directive on implementing the principle of equal treatment between persons irrespective of religion or belief, disability, age or sexual orientation [First reading] 3
5. Proposal for a Directive of the European Parliament and of the Council on improving the gender balance among non-executive directors of companies listed on stock exchanges and related measures [First reading] 4
10. Proposal for a Regulation of the European Parliament and of the Council on medical devices, and amending Directive 2001/83/EC, Regulation (EC) No 178/2002 and Regulation (EC) No 1223/2009 [First reading]
Proposal for a Regulation of the European Parliament and of the Council on *in vitro* diagnostic medical devices [First reading] 4

NON-LEGISLATIVE ACTIVITIES - PUBLIC DEBATES

6. Draft Council conclusions on "Women and the economy: Economic Independence from the perspective of part-time work and self-employment" 5
7. European Semester 2014: Contribution to the European Council (Brussels, 26-27 June 2014) 5
8. The social dimension of the EU/EMU 11
11. Draft Council conclusions on economic crisis and healthcare 11
12. Draft Council conclusions on nutrition and physical activity 11

*

* *

¹ Deliberations on Union legislative acts (Article 16(8) of the Treaty on European Union), other deliberations open to the public and public debates (Article 8 of the Council's Rules of Procedure).

LEGISLATIVE DELIBERATIONS

(Public deliberation in accordance with Article 16(8) of the Treaty on European Union)

2. Proposal for a Decision of the European Parliament and of the Council on establishing a European Platform to enhance cooperation in the prevention and deterrence of undeclared work [First reading]

Interinstitutional file: 2014/0124 (COD)

– Progress report

9008/14 SOC 297 JAI 236 MIGR 50 ECOFIN 398 COMPET 243
CODEC 1120

10871/14 SOC 512 JAI 508 MIGR 100 ECOFIN 660 COMPET 406
CODEC 1475

+ ADD 1

The Council took note of the Progress report set out in doc. 10871/14 + ADD1.

A large number of delegations congratulated the Hellenic Presidency for the substantial progress on the file. Other delegations also regretted that a general approach was not reached at the Council session on 19 June.

3. Proposal for a Regulation of the European Parliament and of the Council on a European Network of Employment Services, workers' access to mobility services and the further integration of labour markets (EURES) [First reading]

Interinstitutional file: 2014/0002 (COD)

– Progress report

5567/14 SOC 33 ECOFIN 57 CODEC 154 MI 63 EMPL 9 JEUN 13
+ ADD 1

10130/14 SOC 390 ECOFIN 504 CODEC 1342 MI 449 EMPL 82 JEUN 72

The Council took note of the Progress report set out in doc. 10130/14.

4. Proposal for a Council Directive on implementing the principle of equal treatment between persons irrespective of religion or belief, disability, age or sexual orientation [First reading]

Interinstitutional file: 2008/0140 (CNS)

– Progress report

11531/08 SOC 411 JAI 368 MI 246

10038/1/14 SOC 381 EGC 26 JAI 343 MI 440 FREMP 98 REV 1

The Council took note of the Progress report set out in doc. 10038/1/14 REV 1.

5. Proposal for a Directive of the European Parliament and of the Council on improving the gender balance among non-executive directors of companies listed on stock exchanges and related measures [First reading]

(Legal basis proposed by the Commission: Article 157(3) of the TFEU)

Interinstitutional file: 2012/0299 (COD)

– Progress report

16433/12 SOC 943 COMPET 708 DRS 130 CODEC 2724

9864/1/14 SOC 359 EGC 23 ECOFIN 480 DRS 67 CODEC 1293 REV 1

The Council took note of the Progress report set out in doc. 9864/1/14 REV 1.

10. Proposal for a Regulation of the European Parliament and of the Council on medical devices, and amending Directive 2001/83/EC, Regulation (EC) No 178/2002 and Regulation (EC) No 1223/2009 [First reading]

(Legal basis proposed by the Commission: Article 114 and Article 168(4)(c) of the TFEU)

Interinstitutional File: 2012/0266 (COD)

Proposal for a Regulation of the European Parliament and of the Council on *in vitro* diagnostic medical devices [First reading]

(Legal basis proposed by the Commission: Article 114 and Article 168(4)(c) of the TFEU)

Interinstitutional File: 2012/0267 (COD)

– Progress report

– Policy debate

14493/12 PHARM 71 SAN 215 MI 597 COMPET 600 CODEC 2305

+ COR 1

14499/12 PHARM 72 SAN 216 MI 598 COMPET 599 CODEC 2312

+ COR 1

10855/14 PHARM 44 SAN 232 MI 492 COMPET 405 CODEC 1471

The Council took note of the Presidency progress report set out in Annex A to doc. 10855/14 and held a policy debate on the two proposals based on the questions set out in Annex B to doc. 10855/14.

The Council instructed its preparatory bodies to intensify work with the aim of preparing a Council position during the autumn of 2014.

NON-LEGISLATIVE ACTIVITIES

(Public deliberation in accordance with Article 8(2) of the Council's Rules of Procedure)

6. Draft Council conclusions on "Women and the economy: Economic Independence from the perspective of part-time work and self-employment"

– Adoption

9711/14 SOC 354 EGC 21 EMPL 71

+ REV 1 (lv)

+ ADD 1

The Council adopted conclusions as set out in the above-mentioned document. The final version of the text is to be found in doc. 11050 /14.

Malta issued a statement to the Council minutes as set out below.

Statement by Malta

"With regard to possible future work within the Council on critical areas of concern under the Beijing Platform of Action, Malta affirms its right to oppose the development of indicators which could in any way create an obligation on any party to consider abortion as a legitimate form of reproductive health or rights or commodities."

7. European Semester 2014: Contribution to the European Council (Brussels, 26-27 June 2014)

– Policy debate

10921/14 SOC 521 EMPL 88 ECOFIN 670 EDUC 247

The Council held a policy debate on the European Semester, in particular on the CSRs, based on the Presidency note (doc. 10921/14).

The Council considered that CSRs were a useful instrument in guiding policy responses to the main challenges currently faced by their labour markets and social protection systems. They stressed that there are alternative policy options to enhancing pension sustainability and recalled their commitment to the implementation of the youth guarantee, as well as the relevance of the scoreboard of social and employment indicators. Ministers recalled that structural reforms take time to materialise and that their success must come with a general improvement of the economic conditions, with scope being left for Member States to negotiate and implement these reforms.

Ministers recognised that the Semester process had overall improved, nevertheless time constraints remain to be solved.

(a) **Draft Council Recommendations on the National Reform Programmes 2014 to each Member State, including Macro-economic Imbalance Procedure (MIP) (Draft explanatory note)**

– Approval

10528/14 UEM 191 ECOFIN 569 SOC 435 COMPET 341 ENV 532
EDUC 179 RECH 238 ENER 242 JAI 420

10809/1/14 UEM 261 ECOFIN 649 SOC 500 COMPET 402 ENV 601
EDUC 238 RECH 297 ENER 305 JAI 499 REV 1

10901/14 UEM 266 ECOFIN 667 SOC 518 COMPET 413 ENV 613
EDUC 244 RECH 301 ENER 314 JAI 515

+ ADD 1

10810/1/14 UEM 262 ECOFIN 650 SOC 501 COMPET 403 ENV 602
EDUC 239 RECH 298 ENER 306 JAI 500 REV 1

The Council approved the employment and social policy related aspects of the recommendations (listed in doc. 10809/14 REV 2) and the accompanying explanatory document (doc. 10810/14 REV 1). A compromise was found on a minor amendment requested by Bulgaria. Bulgaria, the Czech Republic, Hungary, Poland, Romania and the United Kingdom issued statements to the Council minutes (as set out below).

Statement by the United Kingdom

"The United Kingdom notes that the European Semester may include non-binding Country Specific Recommendations on education and training. We note this year's Country Specific Recommendations which are broadly in line with our current policies.

However, recalling the footnote to the June 2010 European Council Conclusions¹ regarding target-setting, and that the EU's competence in the field of education is limited to carrying out actions to support, coordinate or supplement the actions of the Member States, the UK would like to emphasise that the design, implementation, evaluation and ongoing development of education and training policy is a responsibility for Member States. There also are parts of the analytical framework which are not consistent with the UK's experience and we would like to highlight the fact that unemployment in the UK is falling, including youth unemployment and NEETS."

¹ The European Council emphasises the competence of Member States to define and implement quantitative targets in the field of education.

Statement by Romania
on Country Specific Recommendation no 5 on education

"Romania believes that the language used in CSR no 5 does not properly reflect the progress in the quality and access at all levels of education and the correlation between education and the labour market needs, as clearly showed by the data.

The 2 years vocational education and training (VET) consists of 60% practice from the total amount of schooling in the school's workshops and at the employer in the first year and 70% of practice in the second year. The number of pupils enrolled doubled from the school year 2012-2013 to 2013-2014. Furthermore, the practice curricula is being established together with the employer and the number of interested companies involved rose from 2000 in 2013 to 2715 in 2014. Starting with school year 2014-2015 VET will increase from 2 to 3 years and all pupils will continue to benefit from a scholarship ("The VET Scholarship")

Concerning the relevance of tertiary education, the Romanian Government is creating a system for updating and redefining the skills required on the labour market for each qualification, as well as for the assessing instruments for the skills acquired.

The National Qualification Framework was elaborated by the National Authority for Qualifications and is correlated with European Qualification Framework which establishes 8 levels of qualifications that can be acquired through the formal system of education, as well as through validating the results of learning acquired in the non-formal and informal contexts.

In this context, Romania is maintaining the proposal of replacing the term *increase* with *further improve* in CSR no 5."

Statement by Hungary
to the Country-Specific Recommendations for Hungary

"Hungary needs to express its disagreement with some of the statements and requested actions in the country-specific recommendations for Hungary. Some of the recommendations are related to policies which play an important role of the crisis management policy of the Hungarian Government and seem to have brought promising results in terms of growth-friendly fiscal consolidation as reflected in the improving macroeconomic figures.

Hungary continues to attach great importance to maintaining and respecting national competence in taxation, and therefore generally objects to any overly prescriptive recommendations in this area (e.g. any request to reduce or increase, phase out or introduce certain taxes).

Hungary considers that the Commission's assessment of the Hungarian business environment does not recognise the improvement of Hungary's underlying economic fundamentals (such as accelerating GDP growth, recovery of business investment and employment), and fails to take into consideration favourable aspects of the Hungarian business environment (e.g. external openness, competition-friendly regulatory framework overall).

Hungary decided to significantly reduce the period of eligibility for unemployment benefits in 2011 as part of an overall policy agenda of stimulating employment. Increasing the period of eligibility would not be in line with Hungary's declared policy objective to boost employment and break benefit dependency."

Statement by Poland **to the Country Specific Recommendation 2014**

"Poland generally supports the direction of this year's CSRs and appreciates the constructive cooperation with the Commission.

Poland keeps its objection to the Commission proposal for the Recommendation 3 on pension system for farmers. We suggest to maintain the Recommendation approved last year by the Council.

The present wording of the Recommendation concerns the dismantling existing pension system for farmers and is a far reaching interference in the social security system in Poland.

Therefore we find difficult to identify ourselves with this part of Recommendation proposed by the Commission.

As far as we know the separate pension systems for farmers supported by state budgets exist in several Member States.

Having regards the above explanation we propose the following amendment:

(3) Continue efforts to increase female labour market participation, in particular by taking further steps to increase the availability of affordable quality childcare and pre-school education and ensuring stable funding. ~~Include farmers in the general pension system, starting by speeding up the creation of the system for assessment and recording of farmers' incomes.~~ [Continue steps to reform the farmers' social security scheme KRUS with a view to improving sectoral labour mobility.] Phase out the special pension system for miners with a view to integrating them into the general scheme. Underpin the general pension reform by stepping up efforts to promote the employability of older workers to raise exit ages from the labour market."

Statement by the Czech Republic **on the Council Recommendation on the Czech Republic's 2014 national reform programme and delivering a Council opinion on the Czech Republic's 2014 convergence programme**

"The Czech Republic generally agrees with the need to ensure the long-term sustainability of the public pension scheme targeted by the proposed recommendation no. 3 in particular by linking statutory retirement age to changes in life expectancy. However, part of the recommendation regarding the acceleration of increase of the statutory retirement age is not acceptable.

The current pace of increase in statutory retirement age in the Czech Republic corresponds to the development of life expectancy and is even faster for women in order to progressively unify the statutory retirement age for men and women. The statutory retirement age in 2020 is slightly lower than the EU average. However, this corresponds to lower life expectancy in the Czech Republic compared to majority of other Member States and EU average (approximately by 2 years). The average time spent in retirement in the Czech Republic is not longer than in most other Member States.

The acceleration of the increase of statutory retirement age is currently not necessary and, on the contrary, it would seriously endanger the social consensus in the Czech Republic.

Under these circumstances the Czech Republic finds it difficult to identify itself with the whole package of country-specific recommendations and endorse it."

Statement by Bulgaria
on the Country Specific Recommendations of the Commission to the National Reform Programme 2014

"Bulgaria supports the efforts of the Commission to identify areas, requiring further reforms within the process of the European semester. At the same time we would like to note that the process still requires substantial improvements, when it comes both to timelines and division of labour between the EPSCO and ECOFIN bodies. In particular, in areas which according to the Treaty fall into the competence of the Member states (e.g. healthcare), these deficiencies of the process, combined with a marginal involvement of competent experts, might raise questions about the Role of the Council, the transparency of the procedures, as well as the legitimacy of recommendations, sometimes too prescriptive.

It is in that context that we suggest sticking to the written proposal for recommendation R2 for Bulgaria, which was circulated after the joint EMCO-EPC committee meetings on 5 and 6 June, and which we supported. Following comments made by the Commission in the meeting of the EFC on 12 June, Bulgaria ended up with two different wordings from SPC and EFC. We cannot agree to such an approach – and once again ask for deletion of the words “*optimizing the hospital network*” in our recommendation. These words are far too prescriptive, go beyond both the scope of the European Semester and the provisions in the Treaty on the functioning of the European Union (Art. 168 (7)).

Furthermore, Bulgaria has recently undertaken important steps concerning hospital and outpatient services, in terms of adoption of strategic framework and legislative proposals. There has been a clear political commitment for further progress. Despite our understanding for the necessity to encourage Member States to reforms – an idea, which is at the heart of the European Semester, we suggest that the recommendations reflect the competence of the EU, in accordance with the Treaties. That would certainly impact positively the Member States readiness to endorse the proposed recommendations.

CSR 2 *in fine*: Ensure cost effective provision of healthcare including by improving the pricing of healthcare services while linking hospitals' financing to outcomes, ~~optimising the hospital network~~ and developing out-patient care."

(b) Examination of the National Reform Programmes (2014) and the implementation of the 2013 Country-Specific Recommendations (CSRs)

- Endorsement of the opinion of the Employment Committee (EMCO)
10338/14 SOC 399 ECOFIN 521 EDUC 148

The Council endorsed the EMCO opinion contained in the above-mentioned document.

(c) Assessment of the 2014 CSRs package on cross-cutting issues and the implementation of the 2013 CSRs

- Endorsement of the key messages of the Social Protection Committee (SPC) report
10814/14 SOC 502 ECOFIN 651 EDUC 242

The Council endorsed the key messages of the report of the SPC contained in the above-mentioned document.

(d) Scoreboard of employment and social indicators

- Endorsement of the joint EMCO and SPC opinion
10337/14 SOC 398 ECOFIN 520 EDUC 147
+ ADD 1

The Council endorsed the joint EMCO and SPC opinion contained in the above-mentioned document.

(e) Employment Performance Monitor and Benchmarks (prepared by EMCO)

- Endorsement
10763/1/14 SOC 472 ECOFIN 618 EDUC 210 REV 1

The Council endorsed the Monitor prepared by EMCO contained in the above-mentioned document.

(f) Labour Market report

- Endorsement of the EMCO report
10815/1/14 SOC 503 ECOFIN 652 EDUC 240 REV 1

The Council endorsed the report prepared by EMCO contained in the above-mentioned document.

(g) Implementation of the Youth Guarantee

- Endorsement of the EMCO report
10339/14 SOC 400 ECOFIN 522 EDUC 149 JEUN 73

The Council endorsed the EMCO opinion contained in the above-mentioned document.

8. The social dimension of the EU/EMU

- Exchange of views on the SPC reports
10544/14 EMPL 84 SOC 436 EDUC 241 ECOFIN 572
- (a) **Social dimension of the Europe 2020 Strategy**
10403/14 SOC 402 ECOFIN 524
- (b) **Ex-ante coordination of major social policy reforms**
10386/14 SOC 401 ECOFIN 523
- (c) **Minimum income schemes in the Euro area**
10407/1/14 SOC 404 ECOFIN 526 REV 1
- (d) **Adequate social protection for long-term care needs in an ageing society**
 - Endorsement of key messages
10406/14 SOC 403 ECOFIN 525
+ ADD 1

The Council held a substantive exchange of views on the basis of the above-mentioned reports and the Presidency Steering note. It endorsed the key messages as set out in doc. 10406/14.

11. Draft Council conclusions on economic crisis and healthcare

- Adoption
10463/14 SAN 220

The Council adopted the conclusions as set out in the above mentioned document. The text of the conclusions will be published in the EU Official Journal.

12. Draft Council conclusions on nutrition and physical activity

- Adoption
10122/14 SAN 208
+ COR 1

The Council adopted the conclusions as set out in the above mentioned document. The text of the conclusions will be published in the EU Official Journal.

Italy and Romania made a joint statement to be entered in the minutes of the Council meeting (as set out hereafter).

The Netherlands made an oral statement pointing out that the conclusions have limited cross-border implications.

Statement by Italy and Romania

"Italy and Romania welcome the Council Conclusions on Nutrition and Physical Activity in view of achieving an overall comprehension amongst citizens and consumers that healthy diets and physical activity significantly contribute to the health promotion and disease prevention.

With reference to paragraph 50 concerning "nutrient profiles" (article 4.1 of Regulation (EC) No 1924/2006), Italy and Romania express their concern that "nutrient profiles" should not lead to categorization of foods, thus creating a false perception on how food should be considered within a nutritionally balanced and complete diet. A EU-approved list of "good and bad foods" could unduly discriminate many traditional European food products through, inter alia, the introduction at national level of "traffic light labels", "health warnings", increased taxes and advertising restrictions if such a nutrient thresholds are not met.

The above-mentioned Delegations would like therefore to invite the Commission:

- a) to carefully evaluate that nutrient profiles may not help consumers to understand the contribution of individual foods and drinks to the overall diet, but will rather suggest a global judgement which may create a distinction between "bad" and "good" products, thus affecting the free and informed choice of EU consumers;
- b) to carefully assess the possible consequences that "nutrient profiles" could cause on the free circulation of food products within the EU internal market and on the safeguard of traditional regional food products bearing EU Quality schemes marks, such as PDO, PGI and TSG."